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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF KENTUCKY UTILITIES)
COMPANY FOR AN ADJUSTMENT OF THE) CASE NO. 2003-00434
ELECTRIC RATES, TERMS AND)
CONDITIONS)

PETITION OF KENTUCKY UTILITIES COMPANY
FOR CONFIDENTIAL PROTECTION

Kentucky Utilities Company ("KU") petitions the Kentucky Public Service Commission ("Commission") pursuant to 807 KAR 5:001, Section 7 to grant confidential protection to KU's responses to various data requests of Kentucky Industrial Utility Customers, Inc. ("KIUC") and the Lexington-Fayette Urban County Government ("LFUCG"). KU does not object to making the confidential information available to the Commission and its staff, and to the intervening parties in this proceeding, provided that each such intervenor representative and counsel that receives the confidential information executes an appropriate confidentiality agreement. These data requests and KU's basis for requesting confidential protection are as follows:

KIUC's Second Data Request Item Nos. 17 and 20

1. The responses to these data requests concern the allocation of pension and postretirement benefit expenses to LG&E and LG&E Energy Corp. affiliate companies.
2. The responses contain information concerning pension and postretirement benefit information of nonregulated companies like Western Kentucky Energy ("WKE") that is generally recognized as confidential and is not publicly available. WKE is not before the Commission in this proceeding and conducts unregulated business in competitive markets. Competitors of WKE in the wholesale power market who are not required to publicly file this

information could use this information to create an unfair commercial advantage for themselves and to the detriment of WKE. Thus, this information is subject to protection under KRS 61.878(1)(c). The Commission granted confidential protection to the same type of information in this proceeding on February 23, 2004.

LFUCG's Second Data Request Item No. 2

3. The response to this data request includes attachments containing copies of contracts for purchases of light fixtures and poles. These terms have been expressly negotiated with contractors and vendors.

4. Under KRS 61.878(1)(c), commercial information, generally recognized as confidential, is protected if disclosure would cause competitive injury and permit competitors an unfair commercial advantage.

5. Public disclosure of such information would thus afford KU's contractors and vendors access to, inter alia, cost and operational parameters material to KU, as well as insight into KU's contracting practices. Such access would necessarily impair KU's ability to negotiate with prospective contractors and vendors. This is highly sensitive information that, if made public, would enable future bidders to manipulate the solicitation process to the detriment of KU and its ratepayers. Instead of giving its best price and terms in its bid, a supplier with KU's existing pricing could adjust its bid to correspond with KU's current terms and prices. As a result, KU will not get the same quality of bids that would be produced by a system protected by the confidentiality employed by unregulated businesses. Any impairment of KU's ability to obtain fair prices for its lighting fixtures or poles will increase the price KU and its customers will pay for such items.

6. The information for which KU is seeking confidential treatment is generally recognized as confidential and proprietary information and is not widely disseminated among KU employees. Only personnel with a business reason to use this confidential information – senior management, managers, and those employees engaged in the preparation, assembly and analysis of this information, have access. Furthermore, this information is not filed with any other state or federal agency.

7. In accordance with the provisions of 807 KAR 5:001 Section 7, one copy of KU's responses to these data requests with the confidential information highlighted and ten (10) copies of KU's responses without the confidential information are herewith filed with the Commission.

WHEREFORE, Kentucky Utilities Company respectfully requests that the Commission grant confidential protection, or in the alternative, schedule an evidentiary hearing on all factual issues.

Dated: March 11, 2004

Respectfully submitted,



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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Petition for Confidential Protection was served on the following persons on the 11th day of March 2004, United States mail, postage prepaid:

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